

### **REMARKS**

Claims 165-371 are pending. In the Office Action claims 165-371 were restricted into the following four groups:

- I. Claims 165-170, 183-224, 237-264, 265-278, 291 -327, 331-332, 336-337, 341-342, 346-347, 351-352, 356-357, 361-362, 366-367, and 371 are drawn to a method, system, and product of determining a risk premium incorporated into a rate of return for a security and solving an option-theoretic model.
- II. Claims 171-172, 174, 176-177, 179, 225-226, 228, 230-231, 279-280, 282, 284-285, 287, 328, 333, 338, 343, 348, 353, 358, 363, and 368 are drawn to a method, system, and product of generating a measure of a credit risk.
- III. Claims 173, 175, 178, 227, 229, 232-233, 281, 283, 286, 329, 334, 339, 344, 349, 354, 359, 364, and 369 are drawn to a method, system, and product of generating a measure of covariance of two securities corresponding to a determined estimate of a default loss, where a first security ranks higher in priority.
- IV. Claims 180-182, 234-236, 288-290, 330, 335, 340, 345, 350, 355, 360, 365, and 370 drawn to a method, system, and product of generating a correlation of two securities by relating estimates of a variance and expected default loss.

Applicant hereby elects Group I consisting of claims 165-170, 183-224, 237-264, 265-278, 291 -327, 331-332, 336-337, 341-342, 346-347, 351-352, 356-357, 361-362, 366-367, and 371 for prosecution at this time. This election is made without traverse. Applicant notes that the Office Action Summary indicates only claims 165-322 are pending in the application. It appears that some pages of the index of claims are missing from the PAIR system and applicant respectfully requests correction of same.

**DOCKET NO.:** JMR-0002  
**Application No.:** 10/584,826  
**Office Action Dated:** March 1, 2010

**PATENT**

Applicant reserves the right to pursue the subject matter of all non-elected claims in one or more related/divisional applications. Applicant respectfully requests allowance of all pending elected claims.

Respectfully submitted,

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